

Gartner







2025 CHRO Talent Strategy Guide

4 challenges and best practices

Ambitious growth goals in a VUCA environment put pressure on talent strategies

Regardless of headwinds, CEOs are still prioritizing growth, with talent, people management and culture as their top challenges to lead and grow.

As the pressure for growth mounts, CHROs must develop a robust talent strategy that steers organizations through the current volatile, uncertain, complex, ambiguous (VUCA) headwinds and fuels growth. This guide shares best practices across four initiatives to shape an effective talent strategy.



1. Deliver current and emerging skills needs.



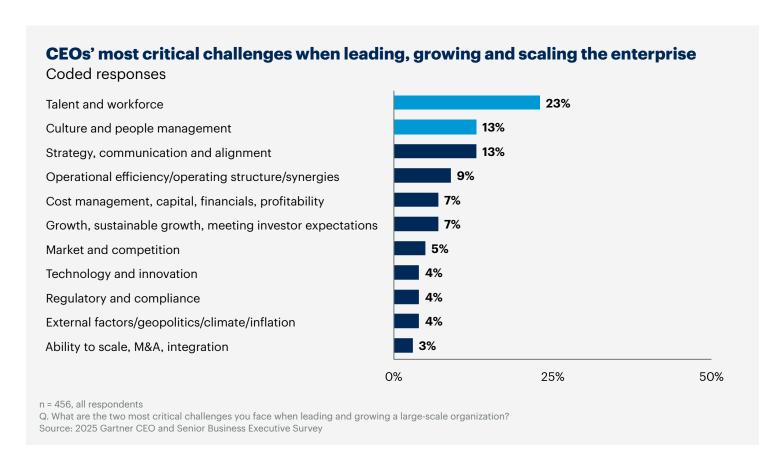
2. Develop transformation leaders and managers.



3. Sustain workforce morale through transformation.



4. Enable the growth of the human/tech augmented workforce.



Challenges that make it difficult to develop an effective talent strategy in 2025

Talent strategy imperatives

Deliver current and emerging skills needs.

Develop transformational leaders and managers.



Sustain workforce morale in VUCA times.

Enable the growth of a human/tech workforce.

Challenges

1. Accelerating skills gaps



By 2027, **31%** of employees will see job changes.



Only **43%** of hiring managers will agree that their recent hires have skills preparedness.



57% of CHROs say they don't know how to predict future essential skills for investment.

2. Deficit in future-ready leaders



Only **1 in 2** HR leaders are satisfied with senior leaders.



Only **1 in 5** are confident in future leadership potential.



Only **28%** of successors for key leadership roles are ready.

3. Employee change fatigue



Employees experience **5x** more organizational changes than 8 years ago.



Only **44**% of employees support recent org changes, down from 74% a decade ago.

4. Mismatched AI expectations



CEOs expect AI to boost productivity by **17%** in 12 to 18 months.



But only **8%** of employees fully leverage generative AI (GenAI) tools for productivity and quality gains.

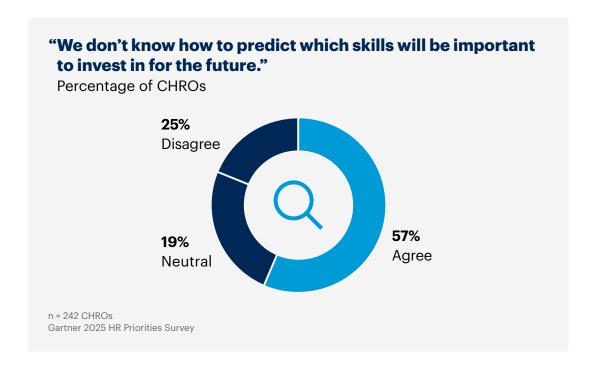
Source: Gartner



Talent Strategy Challenge

How do we close skills gaps and anticipate future skills needs?

CEOs and boards identify talent shortages as the primary risk to growth strategies, increasing pressure on CHROs to effectively equip their organizations with future-ready skills. As roles and skill requirements evolve, CHROs must guide talent leaders in pinpointing and investing in crucial workforce capabilities to meet long-term strategic goals. However, CHROs often struggle to prioritize time and investments effectively in a rapidly changing, complex and uncertain environment.

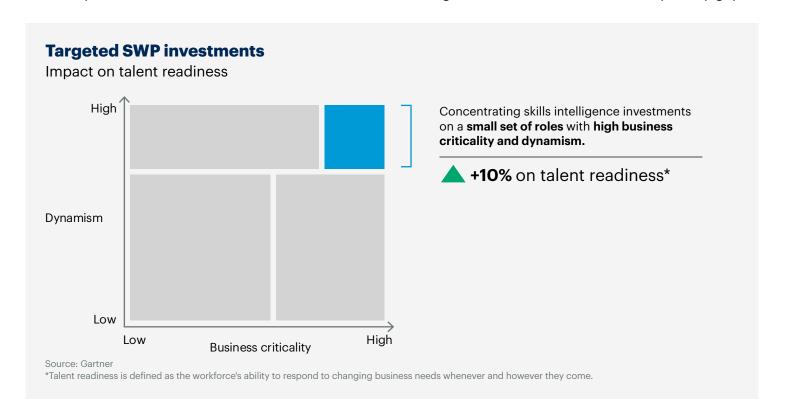




Gartner Answer

Leverage targeted strategic workforce planning

In 2025's VUCA environment, CHROs must guide strategic workforce planning (SWP) efforts to target the most acute skill risks to strategic objectives. By doing so, CHROs can help talent management leaders make tough tradeoffs and prioritize the most critical investments in skills intelligence and solutions to close capability gaps.





3 steps to initiate SWP:

- 1. Define roles and responsibilities for better collaboration.
- 2. Narrow the plan's scope to avoid complexity.
- 3. Promote flexibility through regular reviews and adaptability.



Your peers in action:

Wolters Kluwer



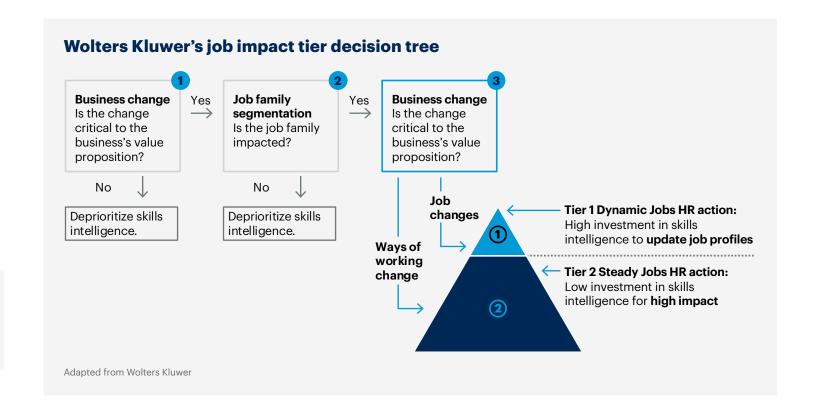
Wolters Kluwer's HR team employs a targeted SWP strategy focusing on "dynamic" jobs. Instead of questioning "if" a job is changing, they ask "how" and "how much." They found that 25% of roles are "dynamic" (changing in tasks and outcomes), while 75% are "steady" (methods change, but the job itself remains constant).

By focusing their SWP efforts on "dynamic" jobs, the Wolters Kluwer team is able to make more timely and impactful build, buy, borrow investments.



Gartner clients can access additional SWP case studies on the client portal.

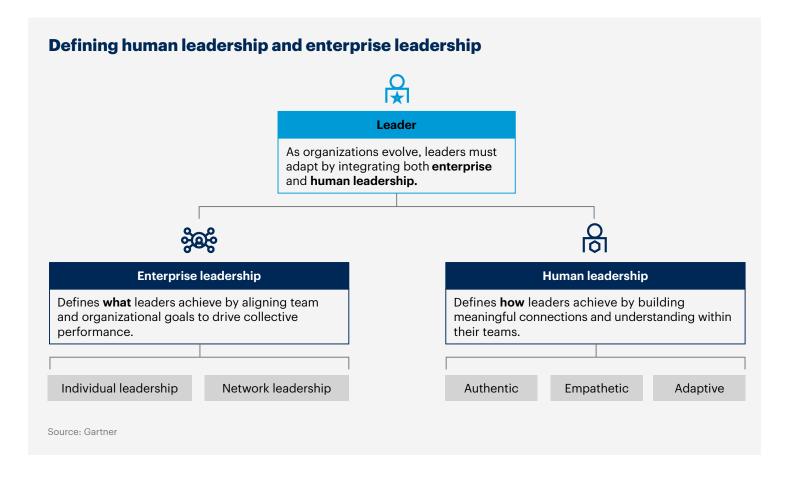
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Talent Strategy Challenge

How do we prepare rising leaders for an uncertain future?

Gartner research highlights the need for human and enterprise leadership, yet HR leaders are less clear on how to get that leadership. Although 76% of organizations have significantly revised leadership programs recently, results are lacking. Only 36% of HR leaders feel their efforts prepare leaders for future challenges, and just 23% trust their organization's ability to develop emerging leaders for future demands.





Accelerate development using the 7 Gartner hallmarks

Gartner surveyed leaders and HR professionals to identify seven key hallmarks for accelerating leadership development. Once the C-suite agrees on essential leader skills and attributes, CHROs can enhance their leadership bench by assessing development programs against these hallmarks to pinpoint high-ROI improvements.





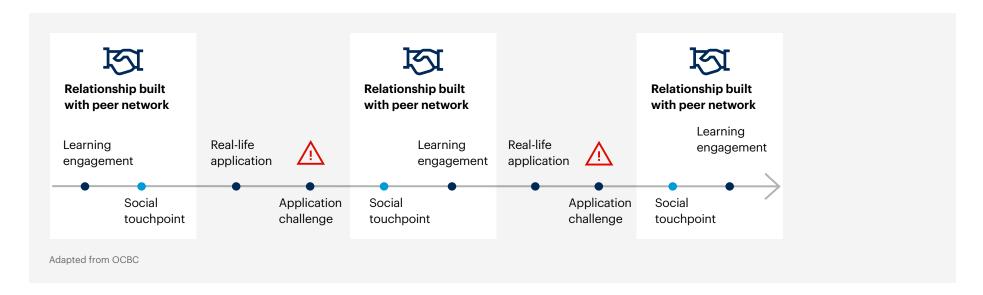
Top moments where leaders need targeted development support:

- 1. Leading their team through a major organizational change.
- 2. Managing a high-risk situation.
- 3. Adapting in response to a significant change in their role expectations.





OCBC integrates learning with peer engagement, letting learners drive over 70% of the agenda to enhance connections and development. L&D provides prompts before social interactions to guide discussions on common challenges. Time between learning and social events enables real-life application and challenge identification. Repeated social interactions after application periods foster trusted peer relationships and offer support in overcoming challenges.

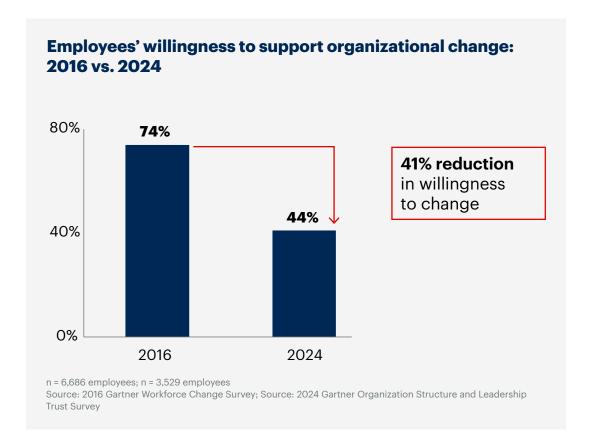




How do we engage a change-fatigued workforce in growth initiatives?

Many organizations struggle with the dizzying speed of change and the related challenges in implementation and employee experience. Employees face significant shifts in a VUCA environment, undergoing an average of 13 enterprisewide changes annually — 5x more than eight years ago. Ambiguity, in particular, is 1.5x more likely to challenge employees than each of the other aspects of VUCA.

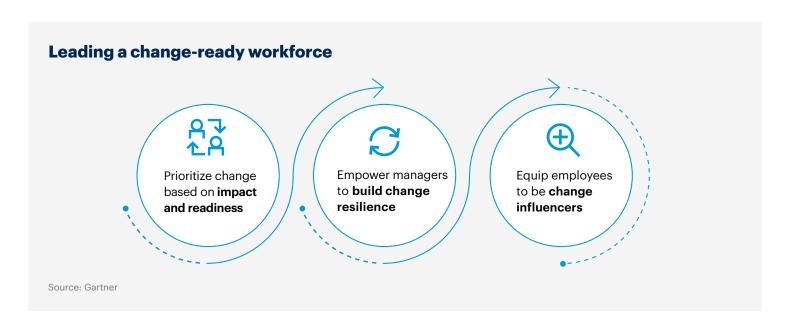
Stacked, constant changes cause workforce disruption and high change fatigue, reducing support for organizational change. Such an environment threatens the employee experience and key business outcomes, increasing risks of burnout, attrition and productivity loss.





Involve employees in change processes to help navigate ambiguity

Instead of taking a top-down approach, HR leaders should make sure change happens with employees, not to them, in order to reduce attrition and change fatigue. By developing effective change leaders and empowering employees, CHROs can foster a culture that embraces new initiatives. Actively involving employees in the change process can transform it into a positive experience, benefiting the entire organization.





How to engage employees in change processes:

- Target key employee groups to support initiatives.
- Involve employees in planning and implementing.
- Encourage employees' questions and opinions, avoiding a top-down approach.

Your peers in action:

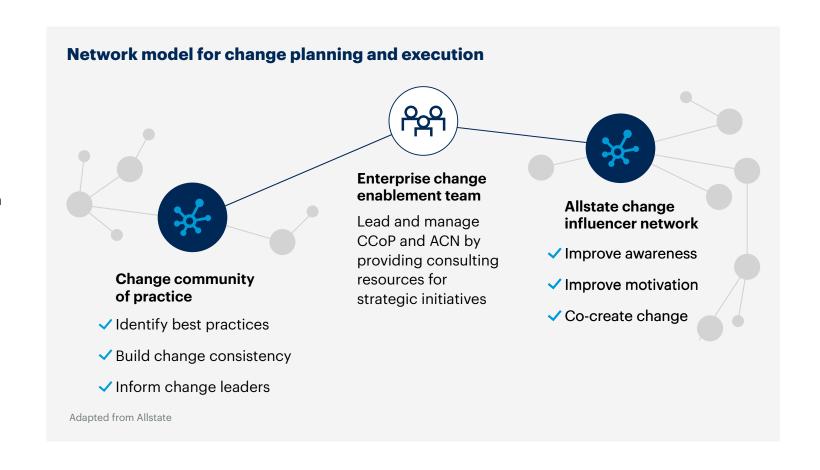
Allstate



Allstate uses an enterprisewide change model to facilitate horizontal employee engagement, speeding up execution and adoption.

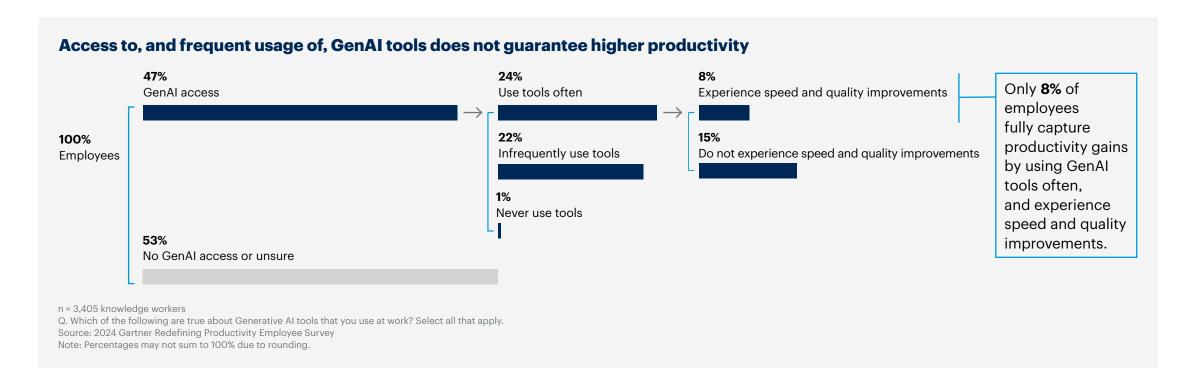
They identify "change influencers" with strong peer connections to discuss changes across forums. A network analysis helps find employees with broad networks of relationships to act as change influencers. Open nominations identify employees who are trusted sources for information and feedback on changes.

This network-driven approach enhances awareness and comfort with change. Allstate employees gain a better understanding of and confidence in their role as co-creators of the change, leading to increased engagement, advocacy and adoption.



How do we translate AI promise into productivity?

CEOs anticipate a 17% productivity boost from AI within 12 to 18 months, but most organizations face a significant gap between expectations and reality. CHROs and HR teams are crucial in strategizing to bridge this usage and productivity gap.





Take a human-first AI approach

Executives often struggle to drive adoption of GenAl because they neglect its impact on employees. Only 14% of HR leaders say employees have a voice in technology decisions. To maximize Al's value and boost adoption and productivity, CHROs should guide HR leaders in adopting a human-first Al approach, ensuring employees feel comfortable and confident using it.





Source: Gartner

By taking a human-first AI approach, employees are **1.5x** more likely to be high performers and **2.3x** more likely to be engaged.



Actions to work with C-suite/HR leaders:

- 1. First, identify what employees are trying to accomplish and then how the tech can support them.
- 2. Prioritize initiatives based on productivity impact.
- 3. Find employee champions to lead the discovery of technology's impact on jobs.



Vizient



Al becomes meaningful for the business when it becomes meaningful to employees. Vizient adopted a human-first approach by involving employees in creating their own empathy maps, gaining insights into their perspectives on Al's impact on their daily work and professional identity. Since employees' views on their work influence their behaviors, understanding these views is crucial for encouraging behavior changes needed to harness GenAl's value.

As a result of this human-first approach, Vizient saw a 3x increase in the number of employees trained in GenAl tools and a 2.5x increase in the number of employees using GenAl daily in their work.

Sam: Vizient's software engineer empathy map

Partial representation



Who is Sam? Sam is a software engineer in an agile team. His daily activities are centered around coding new features and maintaining existing code. He tackles a variety of tasks, from implementing new user story acceptance criteria to optimizing and refactoring the codebase.

What are Sam's goals? Learn and experiment with new technologies and methodologies.

How Sam spends his day	% of work
Coding/development	25%
Code reviews	10%
Refactoring	5%
Documentation	5%
Agile ceremonies and meetings	10%
Planning and design	10%
Problem solving/debugging	10%
Innovation time	10%
Admin time	15%

How will GenAl change Sam's day job?

- Sam will focus on higher-order design aspects, problem-solving instead of repetitive coding tasks.
- Sam should focus more on quality vs. code writing.

How will GenAI impact Sam's identity?

- Sam will have to identify tasks where he needs to be the "human-in-the-loop."
- From executor-of-code to enhancer-of-code.

How will GenAI shift Sam's work-life schedule?

Sam gets an hour a day back for personal development or personal time.

Adapted from Vizient

Impact of addressing the 4 talent strategy challenges

Source: Gartner



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How Gartner is helping HR leaders adapt and stay ahead

The decisions HR leaders make today can impact their organization's business outcomes and brand for years to come. It's critical to have trusted support. With our insight, actionable tools and guidance, we help HR leaders adapt their strategies across a variety of mission-critical priorities to set up their organization for success.



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Live webinars and online learning events



Document reviews

Illustrative key initiative support you receive as a Gartner client:

Diagnose current state



Diagnose top talent risks facing your enterprise strategy using the Gartner Talent Risk Assessment Framework.



Leverage the Ignition Guide to Conduct Strategic Workforce Planning and speak with a Gartner expert to identify workforce needs.



Evaluate the effectiveness of your current leadership development investments using the seven Gartner hallmarks.

Develop your plan



Leverage the Gartner Talent Strategy Presentation Template to draft your strategy and work with a Gartner expert to fine tune it to gain stakeholder buy-in.



Follow Vizient's lead and create AI personas for your most critical segments to enable greater adoption and productivity.



Use Gartner data to develop a targeted strategy to support and develop leaders in their highest-risk, highest-stakes moments in 2025.

Execute and drive change



Follow Allstate's approach to develop the change influencers across your organization and ensure they have the right information relating to change.



Partner with Gartner for best practices to implement HR portfolio management to strategically align projects and optimize resources.



Partner with a Gartner expert to ensure timely and relevant talent strategy updates to the C-suite and board.

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